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The Japanese Presence in U.S. Agribusiness

H. Christine Bolling



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Abstract

Japanese investment companies have come to the United States since the late 1980's to purchase, among other things, agricultural land and agribusinesses. By 1990, Japanese investment in U.S. agriculture and agribusiness was well over \$3 billion. This report puts this investment into perspective and evaluates the impact of this recent phenomenon on the U.S. economy. While Japanese investments are important for certain farm commodities or particular markets such as beef, citrus, and wine grapes, Japanese holdings constitute less than 1 percent of total investment in U.S. farmland and agribusiness.

Keywords: U.S. agribusiness, Japan, foreign investment, farmland

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Use of company names in this report is for identification only and does not constitute endorsement by the U.S. Department of Agriculture.

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Definition of Terms

Foreign direct investment (FDI) is the investment by a company, group, or individual in new facilities, in existing enterprises, in a share of existing enterprises, or in land and natural resources, located within another country.

Foreign direct investment is defined by the U.S. Department of Commerce as an investment of 10 percent or more in an enterprise. An investment of this amount usually represents an attempt by the investor to gain some degree of influence or control over the decisionmaking of an enterprise.

Portfolio investment indicates an investment of less than 10 percent. It is considered to be motivated by the potential return on investment, and not by the desire to influence the management of the enterprise.

Other terms frequently used in discussions of FDI include: **greenfield**, which indicates the establishment of a new enterprise; and **mergers and acquisitions**, which are investments in already established businesses.

Agribusiness is defined here to include agriculture, the food and beverage industry, agricultural chemicals and machinery, wholesale agricultural products, retail grocery stores, and restaurants. The U.S. Department of Commerce Standard Industrial Classification (SIC) codes were used as a definitional guide. Agricultural land is defined by Economic Research Service publications to include cultivated land, pastureland, forestland, and land that had been in agricultural use during the previous 5 years.

Keiretsu is a Japanese system of industrial organization, characterized by cross-shareholding and intercompany networks. The term pertains to conglomerate business organizations.

Summary

Japanese investment in U.S. agriculture and agribusiness is a phenomenon that began in the late 1980's and is continuing into the 1990's. The accumulated value of Japanese investments in these areas is now over \$3 billion. Japan ranks fourth among the foreign owners of U.S. agricultural land and agribusiness in terms of value. Investments have been made in cattle ranches and livestock slaughterhouses, citrus groves and other orchards, vineyards, bottled water companies, food processing and beverage companies, bakeries, fisheries, grain storage facilities, restaurants, convenience foodstores, and grocery stores.

This report determines the types of Japanese investment in U.S. agriculture and agribusiness, puts that investment into perspective in the context of the U.S. economy, and determines the reasons for the investment during the late 1980's.

Some investments occurred because Japanese entrepreneurs had excess funds to invest. The rapid appreciation of the yen until 1989 and the devaluation of U.S. farm properties during the farm crisis of the mid-1980's combined to make U.S. farmland a good deal. In addition, international agreements that are liberalizing Japanese imports of beef and citrus, like the 1988 U.S.-Japan Beef and Citrus Understanding, have presented Japanese investors, as well as American beef and citrus growers, with opportunities to invest profitably in response to an expanding market.

The investment also fits in with Japan's situation as an affluent country that is a net food importer and that sets high standards for the food it imports and consumes.

Japan's share of investment in U.S. farmland and agribusiness is small compared with that of other countries. The shares of farmland and agribusinesses as a portion of total Japanese direct foreign investment in the United States are also small. Japanese investments are, however, a significant market force in some locations and industries.

The Japanese Presence in U.S. Agribusiness

H. Christine Bolling

Introduction

The new wave of Japanese investment in the United States since the late 1980's has been a popular subject in the press, as Japanese investment companies have come to the United States to purchase, among other things, agricultural land and agribusinesses. The Kagome, Kirin Brewing, Mitsui Foods, Mitsubishi, Naigai Beef, Nissin Foods, Suntory, and Toyo Suisan Kaisha companies, though not exactly U.S. household words, are already well-established Japanese companies with large U.S. subsidiaries in the food processing business. Japanese investment in U.S. agribusiness and farmland has an accumulated value of well over \$3 billion.

The more conspicuous investments include ownership and leasing of a 77,000-acre ranch in Montana, joint ownership of a 25,000-acre citrus grove in Florida, and full ownership of a 1,000-acre prune orchard in California, as well as ownership of the third largest bottled water company in the country, the second largest vinegar company, several multimillion-dollar food processing plants, a company controlling 60 percent of the Hawaiian bread-baking industry, several California wineries, more than 60 percent of the Alaskan fish-processing industry, majority interest in a major U.S. convenience store chain (7-Eleven), and feed additive and grain storage businesses.

Foreign direct investment (FDI) contributes to the growth of employment and income in the host country. U.S. policy has generally been to welcome foreign direct investment. As the amount of foreign direct investment from all countries has grown, however, some economists have expressed concern about the growing dependence of the United States on foreign direct investment in nearly every sector of the economy. Given the publicity devoted to Japan's nonagricultural investments, it is important to clarify what investments have actually been made in U.S. agriculture, the reasons for these investments, and their relevance to U.S. agriculture.

The Theoretical Basis for Foreign Investment

Conventional macroeconomic wisdom, stemming from national income accounting, demonstrates how a country whose domestic investment exceeds domestic saving ultimately has a current account deficit that is financed by foreign capital inflows. On the other hand, if a country has domestic saving exceeding domestic investment, it ultimately has a current account surplus that permits capital outflows (app. 1). The savings/investment gap represents many factors such as individual and social choices to save or consume and how these choices relate to productivity and international competitiveness, market access, and other complex economic factors (21).¹

A great deal of published work exists on the array of possible gains and losses that foreign capital inflows might bring to host countries (1, 2, 3, 13). According to the classic paradigm, a firm maximizes profits and produces one product with two inputs (capital and labor), using a given technology. An optimal level of production is reached when the value of the marginal product for labor equals the price of labor and the value of the marginal product for capital equals the price of capital (that is, the interest rate) (9, p. 80). The demand for labor is a function of the price of the product produced, the price of labor, and the price of capital. Likewise, the demand for capital is a function of the price of the product, the price of labor, and the price of capital.

When capital is free to flow among countries, it will seek the highest returns, as measured by the value of its marginal product. In the international arena, the argument extends as follows for the host and capital-exporting countries.

Foreign direct investment occurs because the productivity of capital is greater in the host country than in the capital-exporting country (7, 22). Foreign direct investment changes the relative supplies of labor and capital in both

¹Italicized numbers in parentheses refer to sources in the References.

the capital-exporting country and the host country. In the host country, foreign direct investment makes capital more abundant and the interest rate falls. This increases the capital-labor ratio, causing the returns to labor and, thus, wages, to rise. In the capital-exporting country, emigration of capital has the opposite effect on capital and labor. In short, foreign direct investment changes relative prices and the distribution of income in both countries.

Product markets are also affected in both countries. In the host country, the output of capital-intensive products rises as the interest rate falls. The reverse occurs in the capital-exporting country (app. 2). On balance, there is a net gain to the gross national products of both countries, which takes the form of additional wage income in the host country and additional capital income in the capital-exporting country. This is the crux of the economic argument for foreign direct investment and its benefit to both the host and capital-exporting countries.

Free movement of resources is beneficial to the world economy (12). When capital is attracted from one country to another by a higher rate of return, it flows from areas where it is relatively abundant and cheap to areas in which it is relatively scarce and expensive, until returns to capital are equalized the world over. This flow raises total output; the addition to output investment brings about in the host country exceeds the diminution to output in the donor country.

Economic theory predicts that foreign investments help the host country's balance of payments, both through the inflow of capital and through the export of products produced in the new plants. As income in the host country rises, savings also rise, and the entire economy grows more rapidly.

However, other economists are less enthusiastic, citing a nonfree market where tariffs, quotas, and other market-distorting mechanisms are in place. Here, foreign direct investment is not so unambiguously beneficial to the host country (6). To the extent that such market distortions raise the profits of foreign-owned firms, the gains to foreign producers represent a net cost to the citizens of the host country. The national cost of the tariff is the consumer cost less any government revenue. Hence, in any industry where foreign firms control a substantial part of production, the redistribution effects toward or away from these firms will be a more important issue for national welfare than the efficiency gains or losses with which economists are usually preoccupied. From a global perspective, gains to foreign-owned firms represent an international redistribution of income rather than a net loss.

Another concern is the market power that multinational corporations exert through foreign direct investment. Industrial organization theory analyzes the issue of whether foreign firms indeed are of sufficient market force to be of

concern. Scherer suggests that the vigor of competition is related to the number of firms in the relevant industry (17, p. 56). The degree of inequality of size of the firms can also matter. Inequality is often measured as the percentage of the total industrial sales (or capacity, employment, value added, or physical output) contributed by the largest firm or by the few largest firms. Another measure is the degree of market power that a firm or group of firms may have in a local or regional market, rather than the national market (17, pp. 56-58).

Japanese Investment in the United States

We chose Japan as the focus of this study because of the recent increase in Japan's direct investment in all sectors in the United States. Japan surpassed the United Kingdom in annual direct investments in the United States in 1990, and is second to the United Kingdom in accumulated direct investment here. This study, however, pertains only to Japanese investments in agriculture and agribusiness.

The macroeconomic climate affected Japanese investment in U.S. agribusiness. Japan had excess savings to invest abroad and it had a trade surplus. Likewise, the United States had a trade deficit and excess demand for foreign investment. Japan accumulated huge trade and current account surpluses during the 1980's, so that Japanese firms and individuals had money to invest abroad. The climate was also right for increased foreign investment in the United States, which underwent a period of high private consumption and Government spending, forgoing savings that were required to fuel investment in U.S. capital goods. U.S. consumption of imports like foreign cars and electronics was high, creating a large trade deficit, particularly with Japan. In a climate of high returns on capital in an environment that required capital, the door was opened for foreign investment.

During the late 1980's, Japanese investors also shifted the types of investment in the United States from portfolio investment to real estate and overseas manufacturing. In 1989, Japanese investment in U.S. stocks and bonds was \$22 billion, down sharply from the \$55 billion invested in 1986. By comparison, direct investment in the United States in 1989 was also \$22 billion, up from the \$6 billion invested in 1986.

According to the Japan External Trade Organization (JETRO), the appreciated value of the yen spurred foreign investment by Japanese manufacturers. The higher valued yen weakened the price competitiveness of some Japanese exports, resulting in the establishment of manufacturing facilities outside Japan. Movement to offshore manufacturing sharply reduced production costs. During this time of vast trade surpluses, the Japanese faced increasing trade

barriers. Establishing manufacturing plants in the major consuming countries reduced hostility toward Japanese products.

During the late 1980's, Japanese real estate appreciated very rapidly, while U.S. farmland prices were falling. Japanese land values rose to prices 3 to 30 times higher than comparable U.S. property, making U.S. real estate an especially good deal in terms of yen.

Industrial organization also accounts for foreign direct investment. Many firms have a global strategy that stems from advantages in vertical integration. Japanese and other foreign firms appear to invest in the United States mainly to exploit their perceived advantages in management and technology. American firms have invested abroad for similar reasons. Horizontal integration of services such as banking, transportation, and communications is facilitated for Japanese investors through their keiretsu system of cross-shareholding and intercompany networks.

Industry-specific developments such as the signing of the 1988 U.S.-Japan Beef and Citrus Understanding also opened the Japanese import market to these products. This induced Japanese companies to invest in ranches, feedlots, and meat-processing plants in the United States. Japanese investors have purchased large cattle ranches in Montana, Colorado, California, Nebraska, and Kansas, and feedlots and beef-processing plants in California and Washington. Japanese investors also have joined with U.S. cattle ranchers in joint ventures in at least nine States. These direct involvements in enterprises located in the United States supplement sales contracts made with U.S. companies to export beef to Japan. U.S. companies, conversely, have established subsidiaries or special marketing channels for their products in Japan.

The increased affluence and sophistication of Japanese consumers also influenced consumer demand. Western-type products like beef and prepared foods have made their way into the Japanese diet. Japanese production capacity for beef, for example, could not fill the increased demand.

Direct involvement in the production process allows Japanese investors to tailor products to their tastes. For example, Japanese prefer highly marbled beef that can be obtained only from certain breeds of cattle and certain types of feed rations. By establishing operations in the United States, Japanese companies can get the products they want without having to build new facilities. Also, they can contract to have cattle custom-fed without having to invest in feedlots.

Japanese investment in the U.S. food industry satisfies the Japanese ethnic market in the United States as well as U.S.

consumers who enjoy specialties like sake and ramen noodles. In 1989, 60 percent of the 1.58 million gallons of sake sold in the United States was brewed by Japanese-owned companies in the United States with 80 percent of it being used in restaurants. Investment in large-scale ramen noodle production began in the early 1970's for the ethnic Japanese market, but the product has become a favorite of U.S. consumers, creating a multimillion-dollar industry in the United States. One company that produces ramen noodles has 20 percent of the U.S. dried soup market.

U.S. import quotas for products like cotton fabrics also created a climate for Japanese investment. In a two-way trade, the United States exported cotton to Japan, which in turn exported fabric or clothing back to the United States. Now many Japanese companies avoid U.S. quotas by running cotton mills in the United States.

Japanese Investment in U.S. Agricultural Land

At the beginning of 1980, Japanese investment in U.S. agricultural land was only 25,000 acres, valued at \$54 million. In a decade, Japanese investment increased to 539,000 acres, valued at slightly more than \$1 billion. Most of the increase occurred in 1981, 1985, and 1987-90 (table 1).

The distribution of Japanese investment in agricultural land has been uneven among States, with Hawaii and California leading when ranked by the value of these investments. These and other Western States have been the site of most Japanese land investment, mostly because they are closer to Japan than other States are and because of business ties that have developed over decades (table 2). Pastureland, rather than cropland, has constituted the largest acreage of Japanese investment, and forestland is the largest joint Japanese-U.S. investment (table 3). Certain counties, especially suited for cattle ranches and forestry, stand out as investment sites (fig. 1, app. table 1).

Much of the Japanese-owned land is in primary producing areas noted for their high-quality products. Sonoma and Napa Counties, California, and some counties in Washington are noted for their high-quality wine grapes. Parcels purchased primarily for beef range from Montana to Kansas, the major cattle ranges of the United States. Acreage in Colusa County, California, is riceland. Indian River County, Florida, and Riverside County, California, are noted for their citrus groves.

Japanese investors purchased agricultural land in North Carolina, Georgia, Kentucky, and Ohio for industrial sites. The acreage in Maine is forestland, while the acreage in New Mexico is mining property. Investors used the land purchased in Hawaii for building resorts and golf courses.

Table 1--Japanese and U.S./Japanese purchases of U.S. agricultural land by year¹

Year	<i>Acres</i>	<i>1,000 dollars</i>
1967	60	76
1968	0	0
1969	0	0
1970	0	0
1971	0	0
1972	192	394
1973	954	9,122
1974	4,201	6,864
1975	169	507
1976	7,062	17,935
1977	1,355	760
1978	3,604	6,980
1979	5,411	10,834
1980	631	826
1981	109,613	22,697
1982	1,743	10,097
1983	1,121	1,941
1984	1,214	8,003
1985	937	23,214
1986	2,099	4,650
1987	22,809	93,147
1988	94,085	289,578
1989	262,397	478,101
1990 (preliminary)	19,223	87,809
Cumulative total	538,880	1,073,535

¹Purchases net of sales as of 1990. Investment here is defined as ownership of 10 percent or more in an enterprise.

Source: (4).

Japanese Investment in U.S. Agribusiness

Japanese firms have invested in other areas of agribusiness besides agricultural land. A few large Japanese companies established themselves during the 1970's; Nissin Foods invested in ramen noodle production and several companies invested in Alaskan fisheries. But Japanese investment in U.S. agribusiness took off during the late 1980's, increasing from \$381 million in 1980 to \$1.9 billion in 1990, according to the U.S. Department of Commerce.

The recent expansion has brought Japanese investment to nearly every State. The Japanese presence is especially prominent in the food manufacturing sector (table 4), with companies in the United States often being representatives or affiliates of large Japanese firms (app. table 2).

Japanese restaurants and food processing concerns are concentrated in California, Hawaii, New York, and New Jersey,

Table 2--Japanese agricultural landholdings in the United States by State, value, and area¹

State	Value of farmland	State	Area of farmland
	<i>Million dollars</i>		<i>Acres</i>
Hawaii	465	Maine	180,000
California	102	New Mexico	107,000
Virginia	70	Hawaii	78,000
Florida	62	Colorado	38,000
Ohio	40	Montana	27,000
Oregon	37	Florida	26,000
Georgia	31	California	19,000
South Carolina	31	Ohio	9,000
Washington	26	South Carolina	8,000
Colorado	18	Oregon	4,000

¹Includes forestland and land used for agriculture up to 5 years previous to purchase. Some purchase prices reflect land used as industrial sites and golf courses.

Source: (4).

Table 3--Japanese investment in the United States by type of agricultural land, 1990

Land use	Japanese investment		Joint Japanese-U.S. investment	
	<i>Acres</i>	<i>Percent</i>	<i>Acres</i>	<i>Percent</i>
Cropland	21,576	12	30,463	8
Pastureland	132,969	77	93,681	26
Forestland	1,975	1	202,178	55
Other agriculture	13,299	8	27,704	8
Other nonagriculture	4,768	2	10,317	3
Total	173,578	100	364,293	100

Source: (4).

while fishery processors are concentrated in Alaska, grain-trading companies in Oregon, wineries in Napa Valley, California, cotton mills in North Carolina, South Carolina, and Georgia, and beef slaughterhouses in the West and Midwest. The beef industry has become an example of vertical integration, with cattle being raised on Japanese-owned ranches or feedlots and slaughtered in Japanese-owned packing plants. When transported by sea, 50 percent of the U.S. beef is shipped on Japanese lines.

The 1988 U.S.-Japan Beef and Citrus Understanding also spawned a trend of vertical integration in the citrus juice industry. Purchases of citrus groves and apple orchards were

**Figure 1--Japanese investment in U.S. farmland,
by acreage and county**

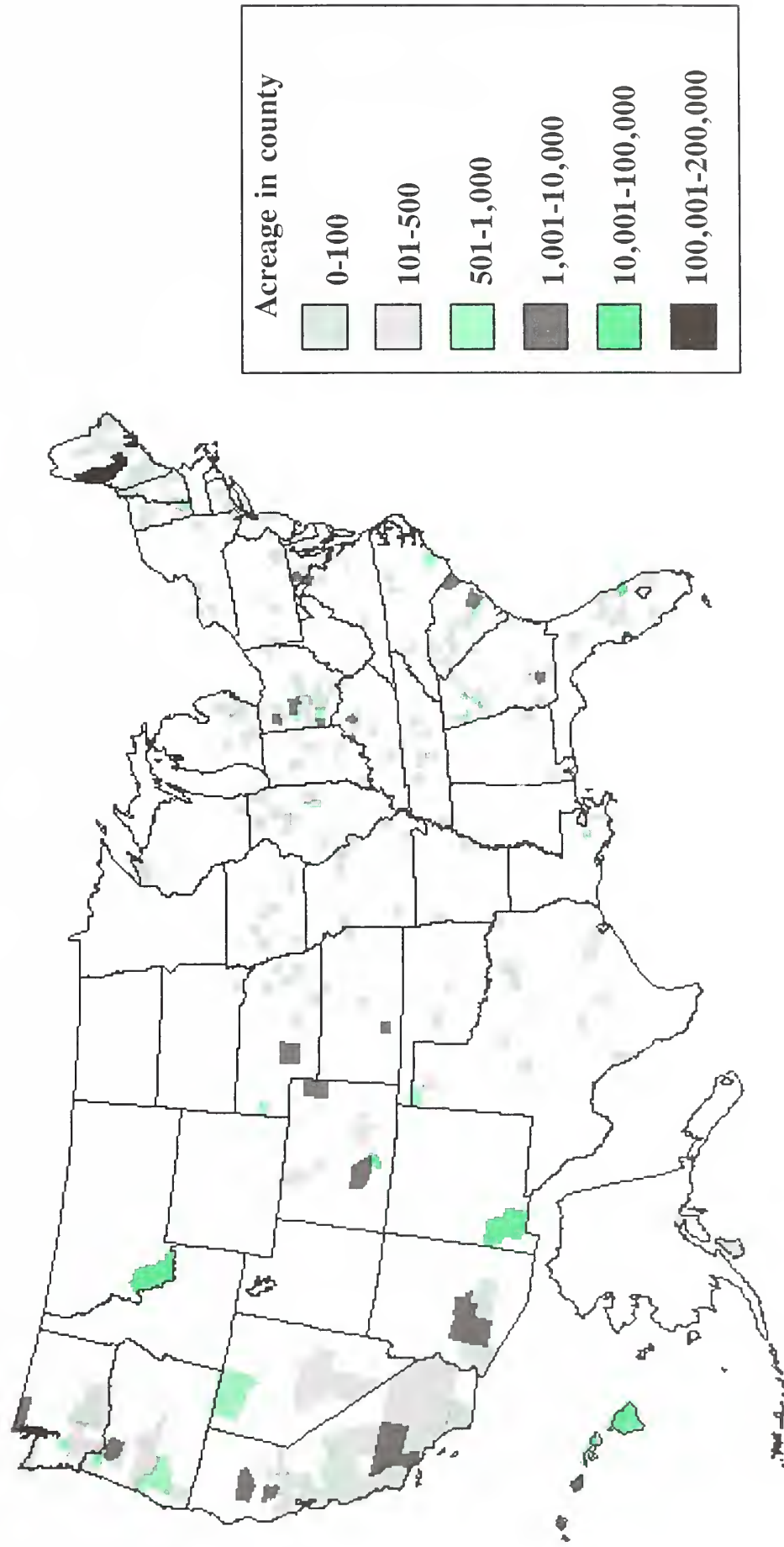


Table 4—Japanese direct investment in the United States in agriculture-related sectors

Category	1986	1987	1988	1989	1990
<i>Million dollars</i>					
Food and kindred products manufacturing	158	281	393	641	662
Grain and bakery products	N.A.	N.A.	N.A.	N.A.	N.A.
Grain mill products	N.A.	N.A.	N.A.	48	N.A.
Bakeries	N.A.	N.A.	N.A.	N.A.	N.A.
Beverages	N.A.	N.A.	101	170	161
Other	124	241	291	471	501
Meat products	1	3	9	N.A.	N.A.
Dairy products	0	0	0	N.A.	N.A.
Preserved fruits, vegetables	0	0	1	N.A.	N.A.
Other foods	123	174	172	300	317
Other manufacturing:					
Agricultural chemicals	0	7	N.A.	3	-2
Farm machinery	0	0	0	0	0
Textile products	31	182	262	260	198
Textiles	29	N.A.	166	167	136
Apparel	2	N.A.	96	93	62
Food wholesaling:					
Farm products, wholesale	368	232	145	146	284
Groceries, wholesale	50	45	31	158	142
Food retailing:					
Foodstores, and eating/drinking places	222	N.A.	56	43	472
Agriculture (crops, livestock, services)	N.A.	4	36	100	123

N.A. = Not available because data are protected by U.S. Department of Commerce for the purpose of not revealing investments by individuals or small groups of companies.

Source: (8).

accompanied by purchases of fruit-packing and juice-processing facilities in California, Oregon, Washington, and Florida.

Market Concentration

The mere presence of foreign companies in U.S. agribusiness is not as much a concern as their degree of concentration, and concentration becomes a concern only when those companies can influence the price in the market by acting as monopolists or oligopolists. Japanese investment is spread over a broad spectrum of products, and is concentrated in only a few industries: bottled water, beverages (including fruit juices), beef, instant ramen noodles and other ethnic foods, and seafood. In some cases, this concentration is limited to a particular region (table 5), but it is difficult to prove that these companies influence the prices in their respective markets.

In some cases, these companies are parts of Japanese conglomerates. Mitsubishi, Marubeni, Mitsui, and Sumitomo companies, known for their keiretsu organizations, all have a stake in U.S. agribusinesses and food processing concerns. Mitsubishi, for example, has interests in at least 15 U.S. agribusinesses—ranging from vineyards to vegetable oil processing.

Japanese Investment in Perspective

While U.S. newspapers have reported an upsurge of Japanese investment in the United States, one must put in perspective the size and extent of Japanese investments in U.S. agriculture and agribusiness. Several aggregate measures illustrate the small percentage of total investment that originates from Japan.

Table 5--Degree of market concentration for selected Japanese enterprises

Enterprise	Market concentration
Bakeries	Small percentage except in Hawaii, where one company produces 60 percent of the bread.
Beef	Japanese ownership or joint ownership of at least 9 large cattle ranches, 9 feedlots, and 21 meatpackers. Small part of the total but specialized trade in highly finished top-grade beef representing 15-20 percent of U.S. beef exports to Japan, with considerable vertical integration. Over half the U.S. beef exports are shipped on Japanese-owned vessels.
Beverages	One bottled water company is the largest in the United States, with 6 percent of the total market. Also regional Pepsi and Coca-Cola bottling plants, and several fruit juice processing plants.
Biochemicals	Small presence but considerable interest in feed additives, particularly lysine.
Biotechnology	Small interest.
Dairies	Small interest.
Eggs	Small, but concentrated in Virginia and Pennsylvania. One very large company in California.
Farm equipment	One major Japanese company. However, nearly all under-40 horsepower tractors are made by Japanese companies and marketed under names of major U.S. tractor firms.
Feed grain storage	Concentrated on west coast and gulf ports, with some elevators in producing areas. Total capacity of nearly 2 million tons, less than 1 percent of the nearly 250 million tons of U.S. grain storage. Two large grain storage companies, one with 33 grain elevators. The 30 Japanese trading companies with branch offices in Portland, OR, handle 70 to 80 percent of all grain exported from Oregon.
Fertilizer	Small interest.
Food processing	One company has 20 percent of the U.S. dried soup market, and several Japanese companies produce noodle products. One company is the second largest producer of vinegar in the United States, while another is Hawaii's largest maker of sausages. U.S. soy sauce production is dominated by Japanese companies. One company accounts for 20 percent of the U.S. prune exports to Japan.
Food retailing	Largely ethnic, except recent acquisition of 7-Eleven stores. Many ethnic restaurants, with recent expansion into fast foods and other types of restaurants and convenience store chains.
Food wholesaling	Small percentage of total, also largely ethnic.
Rice mills	One in California, with riceland.
Seafood	Over 80 percent of Alaska fisheries.
Seed companies	Small percentage of total.
Textiles	Small percentage of total.
Vegetable oils	Small percentage of total, but concentration in cottonseed oil in Texas and rapeseed oil in Oregon.
Wineries	Small percentage of total. Emerging industry in sake.

- According to the U.S. Department of Commerce, the stock of Japan's direct investment in all economic sectors of the United States was \$83 billion in 1990, about one-fifth of the total \$404 billion of FDI from all countries (table 6). According to Japanese statistics, the stock of Japanese investment in the United States was \$104 billion as of March 1990 (14).
- Reflecting the small direct role that agriculture plays in either economy, Japanese investment in U.S. agricultural land and agribusiness was about \$3 billion, according to the U.S. Department of Commerce. The stock of total foreign investment in U.S. agribusiness from all sources is \$32 billion,

plus another \$10 billion invested in U.S. agricultural land. According to the Department of Commerce and USDA's Economic Research Service, Japanese investors own less than a tenth of the foreign-owned agribusinesses (fig. 2) and about a tenth of the foreign-owned agricultural land (fig. 3). Japan ranks seventh in foreign ownership of U.S. agricultural land in terms of acreage and fourth in terms of value, suggesting that Japanese investments have been in more expensive land. Japan is the fourth largest investor in U.S. agribusiness (table 7).

- According to the USDA's Economic Research Service, Japanese investors own 3.7 percent of the foreign-owned U.S. farmland in terms of acreage and

Table 6--Foreign investment in U.S. agribusiness by all countries and Japan

Category	1986	1987	1988	1989	1990
<i>Million dollars</i>					
All countries:					
All industries	220,414	263,394	314,754	373,763	403,735
Food industry	12,147	15,506	16,458	24,054	22,875
Other agribusinesses	10,056	6,975	10,173	9,256	9,286
Total food and agribusinesses	22,203	22,481	26,631	33,310	32,161
Agricultural land	7,824	8,221	9,034	9,950	10,340
Japan:					
All industries	26,824	34,421	51,126	67,319	83,498
Food industry	158	281	393	641	662
Other agribusinesses ¹	671	470	530	710	1,217
Total food and agribusinesses	829	751	923	1,351	1,879
Agricultural land	213	218	507	985	1,073

¹Include agricultural chemicals, farm machinery, textile products, wholesale farm products and groceries, foodstores and eating places, and agriculture.
Source: (19).

Figure 2: Foreign direct investment in U.S. agribusiness

Billion dollars

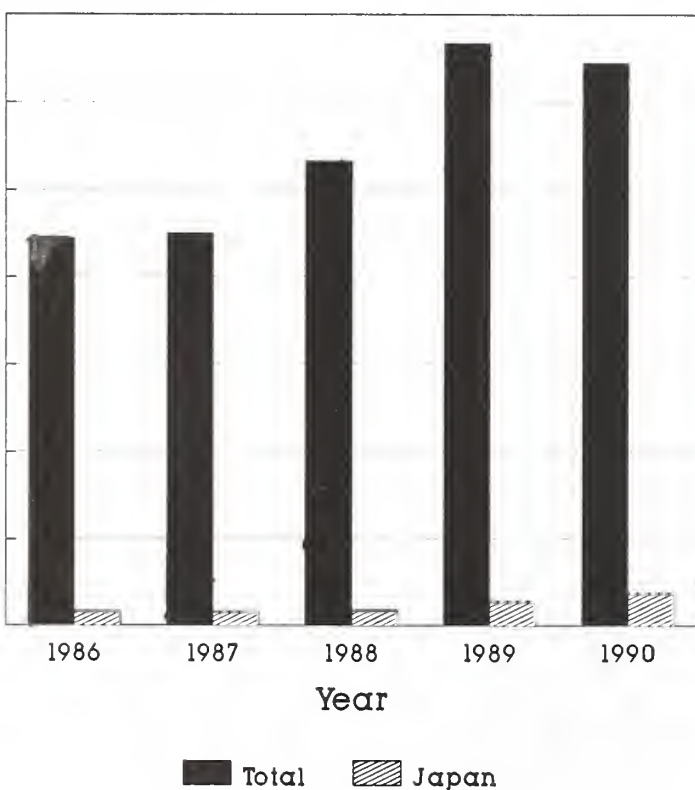


Figure 3: Foreign direct investment in U.S. farmland

Billion dollars

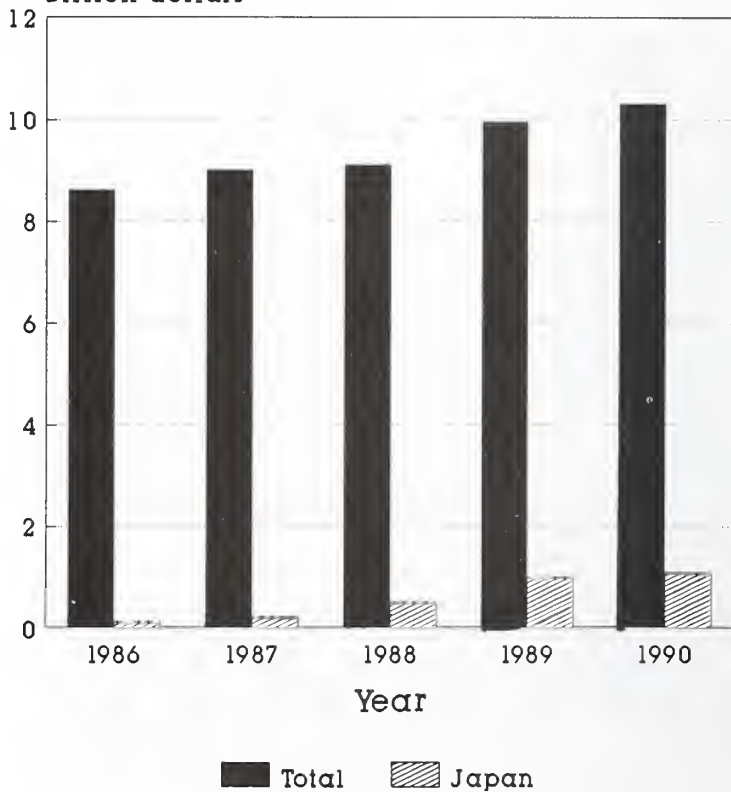


Table 7--Ranking of foreign ownerships of U.S. agricultural land and agribusinesses, 1990

Land area		Land value		Agribusiness value	
	<i>Million acres</i>		<i>Million dollars</i>		<i>Million dollars</i>
Canada	3.91	Canada	1,451	United Kingdom	11,044
United Kingdom	2.78	United Kingdom	1,279	Netherlands	7,403
Germany	1.16	Germany	1,227	Germany	2,011
France	1.13	Japan	1,074	Japan	1,879
Netherlands Antilles	.59				
Switzerland	.59				
Japan	.54				

Source: (4).

10 percent according to value at the time of sale (4). Japanese investment is less than 1 percent of total U.S. farmland in terms of value and acreage, and is concentrated in the Western States.

- The United Kingdom is the largest overall foreign investor in the United States and the largest foreign investor in U.S. agribusiness, particularly in the U.S. food industry. Some other Western European companies have been giants in the U.S. food industry for a long time. By 1990, accumulated European Community investment in U.S. agribusiness was \$27 billion. Canada is the largest investor in U.S. farmland.
- Balanced against the foreign presence in U.S. agribusiness is the U.S. presence in other countries' agribusiness. In 1990, U.S. investment in agribusiness of other countries amounted to \$34 billion, including \$1.9 billion in Japan and \$12.3 billion in the European Community. U.S. investment in agribusiness abroad has also increased in recent years.

Other Institutional Arrangements

U.S. agricultural trade with Japan is influenced by Japanese investment. In 1988, \$7 billion worth of farm products and groceries were shipped from the United States by affiliates of Japanese companies. Direct investment is only one of the institutional arrangements that facilitate agricultural trade between the United States and Japan. Japanese companies' consignments with major U.S. companies for purchases of grape, apple, and orange juice and one company's purchase of exclusive rights to market a major U.S. company's canned and frozen foods in Asia are among the arrangements that have developed in recent years. Others include one Japanese supermarket chain's ongoing business relationship with a major U.S. produce company, and exclu-

sive contracts to raise cattle and pack beef for Japanese supermarkets and wholesalers.

An Assessment of U.S. Gains from Japanese Investment

Based on accepted theory for foreign investment, the gains in the United States as the host country should come from increased employment and growth in GNP, coupled with some losses in returns on capital to domestic investors. Theoretically, the analysis should offer inferences about the welfare (costs and benefits) of Japanese investment in the United States, but the data are inconclusive.

The most easily documented gains are the gains in employment. Some foreign direct investments are and will be a boon to the U.S. agricultural economy. In fact, in some cases, they have created new jobs and additional wealth. According to the U.S. Department of Commerce, affiliates of Japanese companies employed less than 1 percent of the labor force in their sectors in 1989: 10,000 persons in the food and beverage industries, 6,100 in textile products, 4,000 in wholesale trade, 24,000 in restaurants, and 3,600 in agriculture, forestry, and fisheries. In these companies, employment increased by 35 percent from 1988 to 1989. Some of this increase represents growth due to the creation of new firms, but a portion represents the growth of employment in already existing companies that were transferred to Japanese ownership.

Losses in returns to capital to domestic investors are more difficult to quantify. Foreign direct investment has brought in new industries, such as the emerging Japanese sake industry in California. The development of the ramen noodle industry in southern California has added to employment as well as to the diversity of foods available to U.S. consumers. U.S. consumers also gained from increased efficiencies in the production of some food products. Ramen

noodles, however, compete with other dried soup products. In other segments of the U.S. agricultural economy, the consequences may also be mixed.

The Japanese rice market, now almost entirely protected from imports, may eventually open up to U.S. rice. But that rice could come from farms and mills that are U.S.-Japanese ventures rather than wholly U.S.-owned operations, especially if only a small window to the Japanese market is opened.

The 1988 U.S.-Japan Beef and Citrus Understanding provided the opportunity for expansion of Japanese imports of beef. The U.S. companies EXCEL, IBP, and Conagra are the major exporters of beef to Japan, and are associated with large Japanese importers in the trade. In this highly segmented industry, unless domestic U.S. beef producers are part of a joint venture, they may be unable to participate in the expanded beef trade. Japanese companies already own or jointly own 9 large cattle ranches, 9 feedlots, and 21 slaughterhouses in 9 States, and have many purchase contracts and other agreements in operation. All of these are set up to serve the Japanese market. In some cases, feedlots and slaughterhouses that closed because of the downturn in U.S. beef consumption are again in operation, thus adding income and jobs to the U.S. agricultural economy. The U.S. feed grain sector also gains from increased feeding of grains and protein meals.

In the wine industry, there has been mostly an exchange of ownership of vineyards and wineries, with improvements being made on the existing properties. U.S. exports of wine to Japan have increased in recent years, partly from Japanese-owned wineries.

In the juice and food-processing industries, some Japanese-owned plants are newly constructed while others were acquired from other companies. Some citrus and apple products are exported to Japan, so additional trade could come from Japanese-owned citrus and apple orchards and beverage-processing plants.

The cotton-milling industry is somewhat different in that Japanese companies came to the United States to avoid the quota in place for fabrics and clothing exported from Japan (and other countries) to the United States. While several of these mills replaced other U.S. mills, they continued the employment in the cotton-milling industry. Other new, more modern mills are highly mechanized and employ only a few people in the production process.

Conclusions

Japanese investment is an emerging concern in U.S. agribusiness, mostly because of its recent rapid growth. In the aggregate U.S. agricultural economy, Japanese investment shows up as a small part of the total, since foreign direct investment is a small part of total investment in the United States. Nevertheless, U.S. businesses that are wholly Japanese-owned or partially owned by Japanese interests have the potential to be a market force in some sectors of agribusiness. Some food-processing and beverage industries, as well as the U.S. export beef industry, appear to have had the largest Japanese market presence at the end of 1990.

The specific effects of foreign direct investment on U.S. agribusiness must be assessed by industry, to determine how the gains in income are being divided between U.S. and foreign nationals. The most easily documented gains are in employment, but many factors determine the extent to which gains in employment and income occur. On balance, however, Japan's influence on U.S. agriculture and agribusiness is very small.

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Appendix 1: The Theoretical Argument for Foreign Direct Investment

The necessity for foreign investment is illustrated by the standard theoretical argument from national income accounting. A concise statement of the argument is presented in (21) and this section is extracted from that publication.

For an open economy, national income accounting shows the following identity:

$$Y = C_p + I_p + C_g + I_g + X + M \quad (1)$$

Where $Y = \text{GNP}$

$C_p = \text{private consumption}$

$I_p = \text{private investment}$

$C_g = \text{government consumption}$

$I_g = \text{government investment}$

$X = \text{exports of goods and services}$

$M = \text{imports of goods and services.}$

Rearranging equation 1, aggregate supply, $Y + M$, is equal to aggregate demand, $C_p + I_p + C_g + I_g + X$. Equation 1 can be reworked to include taxes:

$$Y - T - C_p - I_p + T - C_g - I_g = X - M \quad (2)$$

where $T = \text{taxes, or government revenues, including net domestic government revenues plus net domestic government transfers.}$

Let $Y - T - C_p = S_p$, where S_p is private saving, and $T - C_g = S_g$, where S_g is government saving. Then:

$$S_p - I_p + S_g - I_g = X - M \quad (3)$$

Equation 3 shows that the sum of the saving-investment gaps in the private and government sectors equals net exports of goods and services. Government expenditure,

whether for consumption or investment, frequently exceeds government revenue, resulting in deficit spending.

In general, government deficits are represented by negative government saving, and if such deficits are financed by borrowing from the private sector, the share of domestic saving available to the private sector is reduced.

Let $S = S_p + S_g$ be domestic saving, and $I = I_p + I_g$ be domestic investment. Then:

$$S - I = X - M \quad (4)$$

$S - I$ is the total saving-investment gap for the economy. It is the difference between total domestic (private plus government) investment and total domestic saving. If imports are greater than exports, then savings must be less than investment. Since net exports of goods and services, $X - M$, are the same as the current account balance, CA (assuming, for simplicity, that net transfer payments are zero), then:

$$S - I = X - M = CA \quad (5)$$

Equation 5 says that when saving exceeds investment, the current account balance must be a surplus. Conversely, if investment exceeds saving, the current account balance must be a deficit.

Every current account transaction has a corresponding and equivalent-valued financial counterpart. An import of a good or service is an export of a financial claim of equivalent value. By the same token, an export of a good or service decreases financial liabilities to foreigners. Thus, the current account balance equals the net change in foreigners' assets and liabilities or net capital movements, except with opposite signs.

Let KA = net capital movements, which means the capital flows required to finance the current account. Then to include the capital account, equation 5 can be written as:

$$S - I = X - M = CA = -KA \quad (6)$$

Equation 6 indicates that excess domestic investment over domestic saving, or a current account deficit, is financed by foreign capital inflows. The opposite is true for a current account surplus; excess domestic saving over investment is exported as capital outflows to finance current account deficits in other countries. The capital outflows may take the form of foreign direct investment, portfolio investment, loans, and transfer payments. The choice between foreign direct investment and other loans and portfolio investment depends on the relative risks and returns to alternative investments.

The United States had trade deficits throughout the 1980's because of a low private savings rate combined with large Federal deficits. The trade deficits were financed by large inflows of foreign capital.

Japan in the late 1980's had a high savings rate in relation to domestic investment, which led to large trade surpluses and corresponding outflows of capital. Much of this capital was invested in the United States.

Appendix 2: The Effects of Intercountry Mobility of Capital

The aggregate effects of a capital flow between two countries with a single output and two factors, capital and labor, are shown in appendix figure 1. The marginal product of capital is plotted for a given technology and a given stock of labor for the host country and for the capital-exporting country. The capital-exporting Country B is shown as a mirror image of the host Country A, so that the horizontal axis represents the total quantity of capital available to all industries in both countries. The vertical axes measure the rental rate of capital (the interest rate) in each country. The area under the marginal product line for Country A represents the total output associated with a given quantity of capital, when labor and technology are held constant. Before foreign investment occurs, the initial supply of capital in the host country is $0_A M$ and the initial interest rate is R_2 . The total capital income is $0_A R_2 B M$. The remaining area under the marginal product of capital curve $R_2 A B$ is total labor income. The sum of these two areas, $0_A A B M = 0_A R_2 B M + R_2 A B$, represents the gross national product.

An analogous situation exists in the capital-exporting country. Before capital is transferred across countries, the initial interest rate is R_0 and the total capital income is $0_B R_0 E M$ and labor income is $R_0 E K$. Gross national product is $0_B B K E M$. Since the interest rate is initially higher in the host country, there is an incentive for capital to move from the capital-exporting country to the host country.

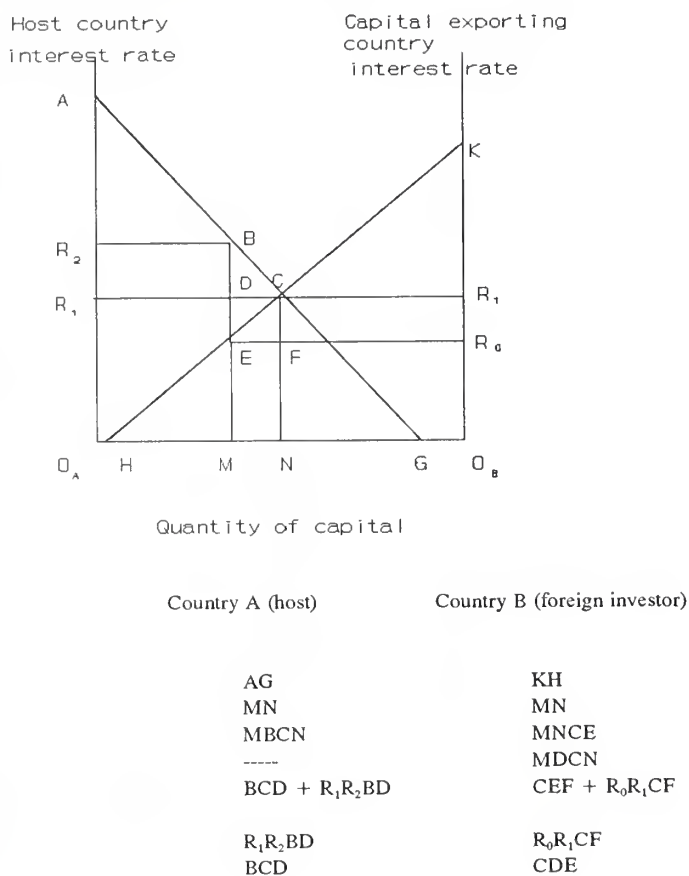
If there are no restrictions on the flow of capital between the two countries, capital will flow out of the capital-exporting country and into the host country until a new equilibrium is reached at interest rate R_1 in both countries. The quantity of capital that brings about this equilibrium is MN . For the host country, capital income changes from $0_A R_2 B M$ to $0_A R_1 C N$. Domestic income from the new foreign investment increases by $MBCN$ and the income of the domestic capital owners falls from $0_A R_2 B M$ to $0_A R_1 D M$. Income to domestic labor increases from $R_2 A B$ to $R_1 A C$.

Part of the growth in labor income is a transfer from the decline in income from domestic owners of capital (R_1R_2BD), but BCD is a net gain to domestic labor and a net increase in the host country's gross national product.

The capital-exporting country is affected in the opposite way. As MN capital is moved from Country B to Country A, the supply of capital in the capital-exporting country declines from $0_B M$ to $0_B N$. The falling supply of capital causes the interest rate in Country B to rise from R_0 to R_1 . Capital income, including income invested in the host coun-

try, increases from $0_B R_0 E M$ to $0_B R_1 D M$ so that the net gain to capital owners in the capital-exporting country is $R_0 R_1 D E$. Income to domestic labor in the capital-exporting country declines from $K E R_0$ to $K C R_1$. The area $C F R_0 R_1$ is an income transfer from domestic labor to domestic capital owners, and the area $C E F$ is an income transfer from domestic labor to capital owners investing abroad. The area of $C D E$ represents a net gain to the gross national product of the capital-exporting country.

Appendix figure 1: Effects of intercountry mobility of capital



Appendix table 1--Acreage of Japanese-owned agricultural land by county, 1990

County and State	Cropland	Pasture	Forest	Other	Non-agriculture
<i>Acres</i>					
Arizona:					
Maricopa				1,023	
California:					
Colusa	1,622			74	16
Fresno	71			92	
Kern	5,847			316	491
Los Angeles					72
Monterey	40				10
Napa	128	14		232	89
Orange					15
Placer	10				170
Riverside	223			158	
San Bernardino	260			60	
San Luis Obispo	10				
Santa Clara					13
Sonoma	121			6	179
Tehama		7,115			
Tulare	311				
Ventura	134			1,013	
Colorado:					
Alamosa		26,146			
Crowley		243			
Pueblo	145	34			
Routt					233
Saguache		9,223			
Summit		205			50
Yuma	1,080				200
Florida:					
Brevard	231				60
Indian River	15,667		7,926	1,062	45
Palm Beach				280	
Polk	28				
Georgia:					
Brooks	88	69	22		4
Colquitt	1,740				
Coweta					19
Early	171			216	
Floyd					64
Franklin			34		26
Fulton				689	
Gwinnett					

Continued--

Appendix table 1--Acreage of Japanese-owned agricultural land by county, 1990--Continued

County and State	Cropland	Pasture	Forest	Other	Non- agriculture
<i>Acres</i>					
Henry					
Jackson	90	21			
Polk	104		127	220	64
Rockdale				23	
Worth	420				
Hawaii:					
Hawaii	3,137	24,025	1,670	22,711	987
Honolulu	986			1,109	3,180
Kauai	57	2,411	4,001	605	
Maui	33	3,847	1,140	7,867	556
Illinois:					
Champaign	229			44	
Cook					4
Du Page					5
Lake					9
La Salle	64				
Marshall	11				
Morgan				26	
Ogle					50
Piatt	719				2
Scott	458				
Woodford	499				
Indiana:					
Clinton					12
Hancock				117	
Jackson					69
Jay	37				
Madison	34		15		
Porter	28				
Iowa:					
Boone	67				11
Page	77				
Kansas:					
Kiowa	400	3,150			
Republic	160				
Rice	80				
Kentucky:					
Greenup					155
Marion				10	
Oldham		1,241	150		21

Continued--

Appendix table 1--Acreage of Japanese-owned agricultural land by county, 1990--Continued

County and State	Cropland	Pasture	Forest	Other	Non-agriculture
			<i>Acres</i>		
Scott		481		40	1,483
Shelby					30
Warren					13
Woodford		300			
Louisiana:					
St. James Parish	291				243
Maine:					
Somerset			180,109		
Maryland:					
Cecil	11				7
Frederick	2,520	90	457	144	200
Michigan:					
Hillsdale	213	18	31		26
Lapeer				25	
Livingston	20			120	
Washtenaw	255				138
Missouri:					
Audrain	119				63
Mississippi	30				
Montana:					
Beaverhead	3,000	24,832			
Nebraska:					
Lancaster	173				54
Lincoln	133	3,546			
Scotts Bluff				352	
Nevada:					
Humboldt	800				
Nye				150	250
New Mexico:					
Grant		90,953			
Luna		16,335			
New York:					
Wyoming	25				4
North Carolina:					
Burke	40				

Continued—

Appendix table 1--Acreage of Japanese-owned agricultural land by county, 1990--Continued

County and State	Cropland	Pasture	Forest	Other	Non-agriculture
			<i>Acres</i>		
Durham	18		25	31	
Franklin	68			30	
New Hanover			718		14
Pender			660		3
Ohio:					
Allen					53
Butler	380		105	45	2,486
Champaign	50				17
Clark	26	25			
Clinton					90
Fayette	54				38
Franklin	57				
Hancock					20
Highland	75	10	6	9	
Logan	850			674	209
Lucas	313				24
Madison	60			60	
Montgomery	10			10	
Ross	1,046				42
Scioto	324				
Shelby	581				86
Union	1,098			886	214
Warren			114	50	731
Oregon:					
Clackamas	106	180	2,758	454	
Deschutes			468		
Douglas		600	98		
Josephine	1	4	36	3	6
Lane	180				
Marion		12			
Washington	487				79
South Carolina:					
Anderson	14		30		45
Berkeley			5,460	131	547
Dorchester			810		
Greenwood		151			
Horry			1,050		
Newberry					7
Orangeburg			67		29
Spartanburg	482				70
South Dakota:					
Yankton					19

Continued—

Appendix table 1--Acreage of Japanese-owned agricultural land by county, 1990--Continued

County and State	Cropland	Pasture	Forest	Other	Non-agriculture
<i>Acres</i>					
Tennessee:					
Shelby					17
Warren	177	50	2	9	17
Texas:					
Bowie		124	8	6	4
Collin	88				
Dallam	512	60		56	100
Gillespie	416	104			
Haskell	26				
Maverick	42				
Mitchell	49				
Moore				125	
Walker				48	
Vermont:					
Bennington			434		
Windham			1,000		
Virginia:					
Essex	180				40
Fauquier			163		
Loudoun	275	1,702			
Roanoke		57			
Washington:					
Clallam	197		41		
Clark			417		244
Cowlitz			279		
Klickitat			121		
Lewis	240				
Thurston	551				
Whatcom		1,194			
Yakima	15				
Wisconsin:					
Bayfield	12	10			58
Douglas				40	40
Walworth	100				92
Total	52,039	226,650	204,103	41,003	15,085

Source: (4).

Appendix table 2--Partially or wholly Japanese-owned companies in the United States

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Bakeries:						
Bunmeido of Hawaii, Ltd.	Honolulu, HI	Bunmeido Confectionery Company, Ltd.	New	Bakery products	1965	10 employees
Daichuya-Love's Bakery Inc.	Honolulu, HI	First Bakery Co. Ltd. (99.5%)	Acquired	Bakery products	1981	300 employees; \$24 million addition (1990) 135 loaves of bread; and 360,000 rolls/day
Diamond Food Corp.	Honolulu, HI Foster City, CA	Takaki Bakery Co.	Acquired	Bakery products	1977	N.A.
Dorcas Bakery	Fort Lee, NJ	Seiyu International	New	Bakery products	N.A.	N.A.
Ikeda Bakery	Los Angeles, CA	Ikeda Bakery	New	Bakery products	N.A.	N.A.
Kimuraya Bakery of Hawaii	Honolulu, HI	Okayama Kimuraya, Ltd.	New	Bakery products	1974	30 employees
Orange Bakery Inc.	Irvine, CA Huntersville, NC	Rheon Automatic Machinery Co. Ltd.	New	Bakery products	1979	145 employees
Pasco Corp. of America	Torrance, CA	Shikishima Baking Co. Ltd.	New	Bakery products	1984	40 employees
Saint Germain America, Inc.	Honolulu, HI	Tokyu Foods, Inc. Ltd. (60%) Tokyu Department Store Co. Ltd. (40%)	New	Bakery products	1977	52 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
T and T Food	Los Angeles, CA	Takaki Bakery KK (50%)	New	Bakery products	1990	\$300,000 monthly sales
Beef:						
Colonial Beef Company	Philadelphia, PA	Naigai Chikusan Ltd. (50%)	New	Beef	1987	200 employees
Fremont Beef Company	Fremont, NE	Stamina Foods (55%) Marubeni Corporation	New	Beef, beef variety meats	1990	43 employees
Tengu Company	Los Angeles, CA	Niehirei Corporation	Acquired	Beef and beef jerky	1990	Purchased for \$16 million
U.S.- Nippon Meat Packers, Inc.	Los Angeles, CA	Nippon Meat Packers, Inc.	Acquired	Beef, hams, and sausages	1977	90 employees
Vienna Beef	Los Angeles, CA	Yonekyu Corp.	Acquired	Beef, hams, and sausages	1990	Purchased for \$3.2 million; processes 440 tons meat/month; 15 employees
Washington Beef, Inc.	Ellensburg, WA Toppenish, WA Yakima, WA	Farmland Trading Co.	Acquired	Beef	1988	45 employees
Beverages:						
Adohr Dairies	Santa Ana, CA	Pokka Corp.	Acquired	Soft drinks	1990	Purchased for \$5.6 million
Almar Service	Los Angeles, CA	Daiohs, Ltd.	Acquired	Coffee service	1990	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
American Soy Products Inc.	Saline, MI	Kawosho Products, Corporation (25%) Marusan-Ai Co., Ltd. (25%) Eden Foods Inc. (25%)	Acquired	Soy beverages	1986	14 employees; 3,600 tons soymilk/year
Belmont Springs Water Company	Belmont, ME	Suntory, Ltd.	Acquired	Bottled spring water	1990	Purchased for \$36 million; with Polar Water, sales of \$135 million
Caply International, Inc.	Century City, CA	Calpis Co. Ltd.	New	Beverages	N.A.	N.A.
Coca-Cola Bottling Co. of Northern New England	Middletown, CN Bangor, ME Lewiston, ME Machias, ME Presque Isle, ME South Portland, ME Lowell, ME Berlin, NH Claremont, NH Laconia, NH Londonderry, NH Somersworth, NH Barre, VT Burlington, VT	Kirin Brewing Co.	Acquired	Soft drinks	1979	U.S. sales of \$300 million
Crystal Water Company	Fort Lauderdale, FL Fort Myers, FL Orlando, FL	Suntory Ltd.	Acquired	Bottled water	1987	150 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Glico Apple Corp.	Wenatchee, WA	Glico Kyodo Nyugyo Co. Ltd.	New	Frozen apple juice	1989	60 employees
Glico Foods USA Corp.	Haines City, FL	Glico Kyodo Nyugyo Co. Ltd.	New	Frozen grapefruit juice	1988	25 employees
Graton Beverages, Inc.	Graton, CA	Pokka Corporation (87.5%)	Acquired	Fruit drinks	1989	55 employees
Hawaii Misuzu Coffee Co. (Hill and Hill Inc.)	Honolulu, HI	Ueshima Coffee Co. (55%) Sumida Corp. (10%) Mitsubishi Corp. (5%) Misuzu Coffee Co. Ltd. (30%)	Acquired	Coffee roasting	1987	10 employees; purchased for \$1 million
Ito-En USA, Inc.	Honolulu, HI	Ito-En, Ltd.	Acquired	Oolong tea and fruit juice	1987	60 employees
Kentwood Spring Water Co.	New Orleans, LA	Suntory Corp.	Acquired	Bottled water and isotonic beverages	1985	350 employees
Pepcom Industries	Garden City, NY Patchogue, NY Durham, NC Lumberton, NC Raleigh, NC Rocky Mount, NC	Suntory Ltd.	Acquired	Soft drinks (Pepsi Cola)	1980	1,000 employees
Polar Water Co.	Beltsville, MD Columbus, OH Youngstown, OH Beaver Falls, PA Wheeling, WV	Suntory Ltd.	Acquired	Bottled water	1987	200 employees
Secretary Coffee Service Co.	Los Angeles, CA	Daiohs Ltd.	Acquired	Coffee service	1990	Purchased for \$8 million

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Talawanda Springs	College Corner, OH	Suntory Ltd.	Acquired	Bottled water	1987	40 employees
10-K Co.	N.A.	Suntory Ltd.	Acquired	Health drink	1989	N.A.
YH Green Food Products, Inc.	Oxnard, CA	Japan Pharmaceutical Development Company, Ltd.	New	Soft drinks	1990	Plant cost \$18.3 million and \$20 million annual sales
Biochemicals:						
Agrochemical International	San Francisco, CA	Kiemai Chin Indo Ihara Chemical	New	Import/export chemicals	N.A.	N.A.
Alpha Biochemical Corporation	Richland, WA	Kanegafuchi Chemical Industry Corporation	New	Binder for feed/food starches from potatoes	1982	20 employees and purchased for \$3.5 million
American Peptide	Santa Clara, CA	Itoham Foods, Inc.	New	Peptides	1988	4 employees
Bio Kyowa, Inc.	Cape Girardeau, MO	Kyowa Hakko Kogyo Co., subsidiary of Marubeni Corporation	New	Lysine	1984	74 employees and purchased for \$50 million
Bioproducts Incorporated	Stockton, CA Aurora, MO Warrenton, OR	Mitsui and Co., Ltd.	Acquired	Pet food flavorings	1986	80 employees and purchased for \$5.3 million
Diamond Shamrock Animal Nutrition Division	KY AR CA	Mitsui and Co., Ltd.	Acquired	Feed additives	1981	Purchased for \$15 million

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Duphar Nutrition, Inc.	Waukegan, IL	Daichi	New	Feed additives	N.A.	N.A.
Eisai USA	Torrance, CA	Eisai Ltd.	New	Feed additives	1989	N.A.
Heartland Lysine	Eddyville, IA	Ajinomoto Co., Inc. (50%) Orsan SA (50%)	New	Lysine	1986	50 employees
Mycogen Corp.	San Diego, CA	Kubota Ltd.	Acquired	Biochemicals	1989	\$10 million equity investment
Nutrius Inc.	Van Buren, AK Huntington Beach, CA Cypress, CA Fresno, CA Kingsburg, CA Manson, IA	Mitsui and Co., Ltd.	Acquired	Feed additives	1981-84	155 employees
Shacklee Corp.	Norman, OK	Yamanouchi Pharmaceutical Co.	Acquired	Health foods	1989	Purchased for \$395 million
Tanabe USA	Atlanta, GA	Takeda USA	New	Feed additives	N.A.	N.A.
Takeda USA	Orangeburg, NY	Takeda Chemical Industries Ltd. Tokyo	New	Feed additives	1986	140 employees
Thomas Products	Madera, CA	Easai USA	New	Human and animal nutrition products	N.A.	\$2 million facility and \$9 million annual sales
Valent USA Corp.	Madera, CA Walnut Creek, CA	Chevron Chemical Co. Sumitomo Chemical Co.	New	Biochemicals	1989	N.A.

Continued—

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Biotechnology:						
Calgene	Davis, CA	Kirin Breweries Co., (30%)	Acquired	Seed potato biotechnology	1990	Purchased for \$2.5 million and \$3.4 million annual sales
Grenada Bioscience	Dallas, TX	Nisho Iwai Corp. Inc. Itoham Foods Jusco Co. Ltd. Fujirija Co. Ltd.	Acquired	Biotechnology	1990	N.A.
Dairies:						
Foremost Dairies	Honolulu, HI	House Foods Industrial Hawaii, Ltd.	Acquired	Milk and dairy products	1987	175 employees; purchased for \$15.5 million
Egg production:						
Coles Egg Farm	Ben Mountain, VA	Ise America Inc. (Mitsui Corp.)	New	Poultry and eggs	1981	N.A.
Croton Egg Farms, Ohio	Croton, OH	Ise Kabushiki-Kaisha Toyame (Mitsui Corp.)	New	Egg production	N.A.	N.A.
Egg City, Inc.	Moorpark, CA	Okura and Co.	Acquired	Egg production	1990	Purchased for \$6 million
Ise America	Newberry, SC	Ise Kaboshiki-Kaisha Toyame	New	Egg production	N.A.	N.A.
Jersey Coast Egg Producers Assn. (Seaboard Farms)	Lakewood, NJ Cecilton, MD Lancaster, PA	Ise Kaboshiki-Kaisha	New	Egg production	N.A.	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Shenn-Dutch Foods Inc.	Harrisonburg, VA	Ise America Inc.	New	Egg distribution	N.A.	N.A.
Farm equipment:						
Auburn Consolidated Industries, Inc.	Auburn, NY	Kubota Ltd. (49%)	Acquired	Landscaping and farm equipment	1976	100 employees
Firestone Tire and Rubber Co.	Des Moines, IA	Bridgestone Corp.	Acquired	Farm tractor tires	1988	100 employees
Kubota Tractor Corp.	Compton, CA Suwanee, GA	Kubota Tractor Corp.	New	Farm tractors	1984	N.A.
Nissho-Iwai American Corp.	Southfield, MI	Nissho-Iwai Co. Ltd.	New	Milk coolers and parts	1966	N.A.
Feed grain storage and trading:						
AGREX	Kansas City, MO Overland Park, KS Elm Creek, NE Norfolk, NE Superior, NE	Mitsubishi Corp.	New	Grain trading	1979 1983	N.A.
CIGRA	Chicago, IL Portland, OR	C. Itoh and Co. Ltd.	New	Grain trading	1982	N.A.
Columbia Grain	Portland, OR Great Falls, MN	Marubeni Corp.	New	Grain trading and storage	1990	12 million bushel storage capacity
Consolidated Grain and Barge	St. Louis, MO	C. Itoh Zen-Noh	Acquired	Grain storage	1990	35.4 million bushel storage capacity

Continued—

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Gulf Coast Grain, Inc.	Denison, IA	Mitsui and Co. Ltd.	N.A.	Grain storage	N.A.	N.A.
Kasho USA	Los Angeles, CA San Francisco, CA	Kasho Co. Ltd.	N.A.	Grain trading	1960	N.A.
Granplex Inc.	St. Louis, MO Portland, OR	Nichimen Corp.	N.A.	Grain trading	N.A.	N.A.
Marubeni America Corp.	St. Louis, MO Portland, OR	Marubeni Corp.	New	Grain trading	1971	N.A.
Mitsubishi International Corp.	Portland, OR	Mitsubishi Corp.	New	Grain trading	N.A.	N.A.
Mitsui Grain Corporation	Chicago, IL Portland, OR	Mitsui Corp.	New	Grain trading	1983	N.A.
Nichimen America, Inc.	Portland, OR	Nichimen Corp.	New	Grain trading	N.A.	N.A.
Nissho Iwai America	Portland, OR	Nissho-Iwai Corp.	New	Grain trading	N.A.	N.A.
Shintoa International Inc.	Los Angeles, CA New York, NY	Shintoa Koeki Kaisha Ltd.	New	Grain trading	1963	N.A.
St. John's Grain	Memphis, TN	Mitsui and Co.	Acquired	Grain trading	N.A.	N.A.
Sumitomo Corp. of America	Portland, OR	Sumitomo and Co.	New	Grain trading	N.A.	N.A.
Toshoku America, Inc.	San Francisco, CA	Toshoku Ltd.	New	Grain trading	1956	N.A.
Toulon Feed and Grain Co.	Toulon, IL	Toyomenka Co. Ltd.	Acquired	Grain trading	N.A.	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
United Grain Corp. of Oregon	Portland, OR	Mitsui Grain Co.	Acquired	Grain trading	N.A.	N.A.
Zen-Noh Grain Corp.	Metairie, LA	Zen-Noh	Acquired	Grain trading	1979	N.A.
Zen-Noh Unicorp. of America	Seattle, WA	Zen-Noh	New	Grain trading	1985	\$25 million capital investment; \$100 million annual sales; originally purchased for \$90 million
Fertilizers:						
IB Chemical Co.	Mobile, AL	Mitsubishi Kasei Corp. (35 %) Mitsubishi Corp. (15 %) Virginia Chemical (50 %)	New	Slow release nitrogen fertilizer	1985	25 employees
Food processing:						
Advanced Concept Corp.	Gardena, CA	Chuyo Bussan Corp.	New	Processed food, meat, and fish	1990	N.A.
Airin Inc.	Honolulu, HI	Mitsui and Co., Ltd.	New	Processed food	1990	N.A.
Ajinomoto USA	Los Angeles, CA	Ajinomoto Co.	New	Amino acids, frozen foods, and seasonings	1956	\$25 million facility
Akiyama Tsukemono California, Inc.	Gardena, CA	Akuyama Tsukemono KK	New	Japanese pickles	1983	10 employees
American Foods Corp.	San Francisco, CA Rancho Cucamonga, CA	Nakano Vinegar Co.	Acquired	Vinegar, cooking oil and sauces	1981	85 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Amsnacks, Inc.	Stockton, CA	Chuokken Sembei Inc.	New	Rice crackers	1980	40 employees
Ariake Foods, Inc.	Harrisonburg, VA	Ariake Food Material Co. Ltd.	New	Chicken-based seasonings	1989	25 employees and \$6.5 million facility
Beechnut California Corporation	San Jose, CA	Morinaga Milk Industry Company, Ltd. (20%)	Acquired	Baby food	1977	200 employees
Calbee America, Inc.	Buena Park, CA	Calbee Foods Ltd. (Tokyo)	New	Snack foods	1985	N.A.
Camino Real Foods	Lancaster, PA	Nissin Food Products Co.	Acquired	Mexican-style frozen dinners	1989	\$20 million annual sales
Cornnuts	Oakland, CA	Pokka Corp.	Acquired	Snack foods	1985	N.A.
Empress Foods Inc.	Southgate, CA	JAFKO Ltd. (40%) Mitsui and Co. (40%) Airin Co. Ltd. (20%)	New	Rice cakes	1985	50 employees
Enway Inc.	Clackamas, OR	Restaurant Skylark, Co. Ltd. (51%)	New	Frozen foods	1982	10 employees
Fuji Foods, Inc.	Browns Summit, NC	Fuji Foods Corp. (Seibu Group)	New	Soup mixes and flavorings	1983	16 employees and \$6.5 million facility
Georgia Pro Foods, Inc.	Savannah, GA	Nitto Food Products, Ltd. (45%) Nozaki and Co. Ltd. (45%) R & H Enterprises, Inc. (10%)	New	Frozen dinners	1988	55 employees
Granpack Foods, Inc.	Portland, OR	Katokichi Co. Ltd.	New	Frozen foods	1990	\$13.9 million facility
Green Foods Corp.	CA	Green Foods Corp.	Acquired	Food processing	1987	Purchased for \$11 million Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Grenada Foods Co.	Houston, TX	Nishowai Corp. Itoham Foods Juseco Co. Fujija Co.	Acquired	Frozen foods	1990	N.A.
Hapi Foods, Inc.	Los Angeles, CA	Kikkoman Corp.	New	Fortune cookies	1977	17 employees
T. Hasegawa, USA, Inc.	Lawndale, CA	T. Hasegawa Co. Ltd.	New	Food flavoring	1979	13 employees
Henningsen Foods Inc.	White Plains, NY 3 plants in Nebraska	Q.P. Corp.	Acquired	Mayonnaise	1990	Controlling interest purchased for \$12 million
House Foods and Yamauchi Inc.	Los Angeles, CA	House Foods Industry Co. (50%)	Acquired	Tofu and related products	1983	70 employees
Indian Summer, Inc.	Evansville, IN Belding, MI Crossville, TN	Nakano Vinegar Co.	Acquired New	Vinegar and apple juice	1987	120 employees; original plant purchased for \$25 million; new plant \$4 million; capacity of 7.9 million gallons vinegar and 1.6 billion gallons apple cider
Instant Noodle Lunch	N.A.	Toyo Suisan Kaisha, Co.	Acquired	Instant noodles	1989	With Maruchan Noodle Co., U.S. sales of \$490 million
Indiana Packers Co.	Delphi, IN	Mitsubishi (45%) Innovative Pork Concepts, subsidiary of Central Soya	New	Pork products	1990	1.2 million head/year slaughtering capacity
Ito Cariani Sausage Co., Inc.	San Francisco, CA	Itoham Foods, Inc.	Acquired	Pork products	1974	30 employees Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Kagome Co. USA	Los Banos, CA Brisbane, CA	Kagome Co. Ltd.	New	Tomato processing	1990	U.S. sales of \$75 million
Kahuka Agricultural Co., Hawaii, Ltd.	Honolulu, HI	Mitsui and Co.	New	Tropical fruits and pureed juices	1990	N.A.
Kikkoman Foods, Inc.	Walworth, WI	Kikkoman Corp.	New	Soy, teriyaki, sukiyaki, and tempura	1973	95 employees
Lotte, USA	Battle Creek, MI	Lotte Co., Ltd.	New	Chewing gum and candy	1979	100 employees
Lyndonville Vinegar, Inc.	Lyndonville, NY Sodus, NY	Lotte Co. Ltd.	Acquired	Vinegar	1986	105 employees
MC Snack Co.	Yakima, WA	Mitsubishi Corp.	New	Apple chips	1987	30 employees
Maruchan Inc.	Irvine, CA	Toyo Suisan Kaisha, Ltd.	New	Instant noodles and wonton soup	1985	60 employees
Maruchan, Virginia	Richmond, VA	Toyo Suisan Kaisha, Ltd.	New	Instant noodle soup	1990	100 employees
Marukan Vinegar USA	Paramount, CA	Marukan Vinegar Co., Ltd.	New	Vinegar	1985	7 employees
MECOR, Inc.	Johnstown, PA	Meiji Sika Kaisha, Ltd.	New	Food/feed additives	1990	15 employees
Mitsubishi Foods	Ponce, PR	Mitsubishi Corp.	Acquired	Canned fish and fruits	1981	850 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
MEI Diversified Co.	San Francisco, CA	Ezaki Glico Co.	Acquired	Confections	1989	Purchased for \$58 million; 4 plants and sales network; \$107 million annual sales
Nature's Favorite	N.A.	Mitsubishi Corp.	New	Apple snacks	1987	N.A.
Nissin Foods USA	Gardena, CA Lancaster, PA	Nissan Food Products Co. Ltd. (80%) Ajinomoto Co. Inc. (10%) Mitsubishi (10%)	New	Instant noodles and soup	1972	360 employees and \$600 million annual sales
Nitakaya USA, Inc.	Los Angeles, CA	Nitakaya Co. Ltd.	Acquired	Japanese pickles	1983	20 employees
Q and B, Inc.	Irwindale, CA	QP Corporation (99%)	New	Mayonnaise	1982	45 employees
Rakuyo Ken USA Inc.	Honolulu, HI	Rakuyo Shokuhin	New	Oriental dumplings	1981	5 employees
Redondo, Inc.	Honolulu, HI	Nippon Meat Packers, Inc.	Acquired	Hams and sausages	1989	50 employees and purchased for \$6.9 million
Sakura Noodles Inc.	Los Angeles, CA	Yachan Department Store	New	Instant noodles	1979	12 employees
San J International Inc.	Richmond, VA	San Jirishi Jozo Co., Ltd.	New	Soy sauce	1987	30 employees
Sanyo Foods, Incorporated	Garden Grove, CA	Sanyo Foods Company, Ltd	New	Instant noodles	1979	45 employees
S and B International Corporation	Torrance, CA	S and B Shokuhin Company,	New	Seasoning mixes	1975	7 employees
Shoei Food Co.	Yuba City, CA	Shoei Foods Corp.	New	Prune processing	1990	\$2.7 million facility; 50 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Stauffer-Meiji Biscuit Co.	York, PA	Stauffer Co. (25%) Meiji Corp. (75%)	New	Biscuits, chocolate, and cracker snacks	1985	100 employees
Sunhskers Foods, Inc.	Lincoln, NE	Nichirei Corp. (83%)	Acquired	Poultry processing	1984	50 employees
Union Inc.	Costa Mesa, CA	Union Trading Co.,	New	Instant noodles	1976	250 employees
Wakunaga of America	Mission Viejo, CA Pharmaceutical Co.	Wakunaga Ltd.	New	Garlic supplement	1982	100 employees
Wilsey Foods, Incorporated	City of Industry, CA Oakland, CA Atlanta, GA Salem, OR Forth Worth, TX	Mitsui and Company, Ltd.	Acquired	Edible vegetable mayonnaise, chocolate sauce, popcorn, barbecue sauce	1989	600 employees; purchased for \$55 million
Food retailing:						
Daido International Inc.	Fort Lee, NJ	Nippon Daido Tokyo	New	Grocery stores	N.A.	N.A.
Food Value Stores	Los Angeles, CA	Wada Family	New	Grocery stores	N.A.	N.A.
Regent Marushen Inc.	Honolulu, HI	Aoi - Marushen Co.	New	Grocery stores	N.A.	N.A.
Southland Corp.	Dallas, TX	Ito - Yokado Co. Ltd.	Acquired	Convenience stores	1990	N.A.
7-Eleven Ltd.	Honolulu, HI	7-Eleven Japan, Ltd.	Acquired	Convenience stores	1990	N.A.
Food wholesaling (including import-export companies):						
B & B Fisheries Inc.	Kodiak, AK	Taiyo Fisheries, Inc.	Acquired	Fish wholesaling	N.A.	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Cal-Land Foods, Inc.	Los Angeles, CA	Ryowa Corp. USA	N.A.	Food and wine wholesaling	1973	N.A.
Harrison Pierce and Co.	Stanford, CT	Toyonmenka Co.	Acquired	Seafood imports	1980	N.A.
Island King of Hawaii	Honolulu, HI	Senka Co. Ltd.	N.A.	Wholesale and distribution fruits	1963	N.A.
Kwik Serv Foods, Inc.	Southgate, CA	Fuji Trading Co.	Acquired	Wholesale food	1990	Purchased for \$2 million
Nippon Suisan Co. Ltd.	New York, NY	Nippon Suisan Kaisha, Ltd.	New	Food wholesaler	N.A.	N.A.
Nomura and Co. USA	Burlingame, CA	Normura and Co.	New	Rice import/export	N.A.	N.A.
Miyako Oriental Food, Inc.	Fort Lee, NJ	Yamajirushi Jyozo KK	N.A.	Importer/distributor soybean paste	1969	N.A.
Niama International	N.A.	Nissho Iwai Corp.	New	Seafood wholesaler	1990	N.A.
Shirakiku Food	Honolulu, HI	Yamajirushi Tyozo KK	New	Food wholesaling	N.A.	N.A.
Pesticides:						
Helena Chemical Co.	West Helena, AR	Marubeni Corp. (25 %)	Acquired	Pesticides, herbicides	1987	150 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Restaurants:						
Asakuma Co. Ltd.	Los Angeles, CA	Asakume Ltd.	New	Japanese style restaurants	1990	12 restaurants
DGH Food Services	Los Angeles, CA	Kyotaru Co., Ltd.	Acquired	Arby's franchise restaurants	1990	16 Arby's franchises and purchased for \$5.8 million
Dosanko Foods Inc.	Long Island City, NY	Hokkoko Shoji KK Mitsubishi Corp. Nissan Milling Flour K.K.	New	Japanese style restaurants	1990	N.A.
Duruma	Los Angeles, CA	Takasaki Bento	New	Japanese noodle restaurants	1990	2 restaurants and \$4 million annual sales
Fazori's Restaurants	Lexington, KY	Duskin Co., Ltd.	Acquired	Italian restaurants	1990	\$3 million annual sales
Hanan American Corp.	N.A.	Kigyuu Corp.	New	Restaurants	1990	N.A.
Hatsuhara NY, Inc.	New York, NY	Transcontinental Restaurant Co.	Acquired	Restaurants	1990	N.A.
Japan Food USA	New York, NY	Tokyo Kugyo Co.	New	Restaurants	1989	N.A.
Juraku Restaurants	PA, NJ	Chungo Kato	New	Restaurants	1987	N.A.
Kakiyasu Honten	New York, NY	Kyotaru Co., Ltd.	Acquired	Restaurants	1987	\$2.1 million facility
Kiki	KY	Nissho Iwai Corp.	Acquired	Restaurants	1987	N.A.
Lowes Enterprises Inc.	Los Angeles, CA	Kyotaru Co., Ltd.	Acquired	Restaurants	1990	22 restaurants and purchased for \$2.6 million

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Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Mishima Foods	Gardena, CA	Mishima Foods Co.	New	Japanese noodle restaurants	1990	Restaurant
New Tokyo Hawaii Restaurant Co.	Honolulu, HI	New Tokyo Ltd.	New	Restaurant	1988	Restaurant
Paragon Steak Houses	Los Angeles, CA	Kyotaru Co., Ltd.	Acquired	Steakhouses	1990	54 restaurants and purchased for \$86 million
Ranch House Restaurant	Honolulu, HI	Nishimura Family	Acquired	Restaurant	1987	Purchased for \$1 million
Regent Marushen, Inc.	Honolulu, HI	Aoi-Marushen Co.	Acquired	Restaurant	N.A.	N.A.
Restaurant Associates Industries, Inc.	New York, NY	Kyotaru Co., Ltd.	Acquired	Restaurants	1990	Purchased for \$16 million, responsibility for \$89 million debt, and \$215 million sales
Restaurant Suntory	Honolulu, HI	Suntory Co. Ltd.	Acquired	Restaurant	1990	N.A.
Rothchild Restaurant	Honolulu, HI	Nishimura Family	Acquired	Restaurant	1987	Purchased for \$1 million
Sushi Iwai	Dearborn, MI	Sumitomo Corp. and others	Acquired	Restaurants	1987	N.A.
TK Enterprises	Los Angeles, CA	TK Enterprises Co. Ltd.	Acquired	Restaurants	1990	N.A.
Rice mills:						
Williams Rice Milling Co.	Williams, CA	Kasho Co.(16%)	Acquired	Rice mill	1986	Purchased for \$200,000

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Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Seafood:						
Alaska Seafoods, Inc.	Kodiak, AK	Marubeni Corporation	Acquired	Frozen fish	1979	300 employees
Alyesha Seafood	Dutch Harbor, AK	Marubeni Corporation Taiyo Fishery Co., Ltd. Wards Cove Packing Co.	New	Surimi	1986	250 employees
American Nichirei Foods Corporation	Fife, WA	Nichirei Corporation	New	Imitation frozen crab	1988	7 employees
Bering Sea Fisheries Inc.	Mouth of Yukon, AK Everett, WA	Marubeni Corporation (25%)	Acquired	Frozen fish	1972	40 employees
Dutch Harbor Seafoods Company, Incorporated	Dutch Harbor, AK Redmond, WA	Nippon Suisan Kaisha, Ltd. (25%)	New	Frozen fish	1976	200 employees
Great Land Seafoods, Inc. (division of Unisea)	Dutch Harbor, AK	Nippon Suisan Kaisha, Ltd.	New	Surimi	1986	130 employees
JAC Creative Foods	Los Angeles, CA	Suzuhiko Co. Ltd.	New	Surimi	1981	N.A.
John Handy Co.	Crisfield, MD Baton Rouge, LA	Taiyo Oil Co., Ltd.	Acquired	Fresh and frozen soft shell crabs and crayfish	1988	240 employees
Kasho USA, Inc.	Seattle, WA	Kasho Co. Ltd.	Acquired	Fishery products	N.A.	N.A.
Kenai Salmon Packing Co.	Seattle, WA	Marubeni Corp.	Acquired	Fishery products	N.A.	N.A.

Continued--

Appendix table 2.--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Kibun Corporation of North Carolina	Raleigh, NC	Kibun Corp. Ltd.	New	Frozen imitation crab products	1983	50 employees and purchased for \$7 million
Kibun Corporation of Washington	Redmond, WA	Kibun Corp. Ltd.	New	Frozen imitation crab products	1983	50 employees
Kodiac King Crab, Inc.	Seattle, WA	Marubeni Corp. Washington Fish	New	Crab products	N.A.	N.A.
Maripae International, Inc.	Saddlebrook, NJ	Mitsui and Co., Ltd.	New	Frozen fish	1978	N.A.
Neptune Packing Corp.	Mayaguez, PR	Mitsui and Co., Ltd.	Acquired	Canned fish	1974	650 employees
North Pacific Processors, Inc.	Cordova, AK Kenai, AK Kodiak, AK	Marubeni Corp.	New	Canned and frozen fish	1974	450 employees
Northern Seafood, Inc.	Anchorage, AK	Hohsui Corp.	New	Frozen fish	1979	200 employees
Ocean Farms of Hawaii	Kona, HI	Okabe Corp. (10%)	Acquired	Fishery products	1990	\$11 million facility
Pacific Fisheries, Inc.	Anchorage, AK	Hokkaido Gogyu Kosha Co.	Acquired	Frozen fish	1979	90 employees
Peter Pan Seafoods	Dillingham, AK King Cove, AK Port Moller, AK	Nichiro Gyogyo Kaisha, Ltd.	Acquired	Frozen fish	1979	120 employees
Pribilof Island Processors, Inc.	St. Paul, AK	Osaka Jitsugyo Co. Ltd.	Acquired	Frozen crabs	1988	200 employees

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Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Sea Watch International, Ltd.	Milford, DE Easton, MD Oyster, VA	Nichirei Corp.	Acquired	Clam chowder and frozen fish	1988	500 employees
Sea Blends Food Co.	Seattle, WA	Nichiro Gyogyo Kaisha, Inc.	Acquired	Frozen imitation fish	1986	50 employees
S-K Seafoods	Piney Point, MD	Sanyo Kokusaku Pulp and Aquaproducts Inc.	Acquired	Eel processing	1979	N.A.
Sugiyu USA, Inc.	Seattle, WA	Nichirei Corp. (20%) Berelson Co. (20%) Nichirei Co. (60%)	New	Frozen imitation crab	1987	60 employees
Togiak Fisheries, Inc.	Togiak, AK	Marubeni, Inc.	Acquired	Frozen fish	1972	100 employees
Transaqua International	Kasilof, AK	Tomen Corporation	Acquired	Frozen fish	1989	125 employees
Transocean Products, Inc.	Bellingham, WA	Taiyo Fishery Co. Ltd. (50%) Steuart Investment Co. (50%)	New	Frozen imitation crab	1985	85 employees
Unisea, Inc.	Dutch Harbor, AK Redman, WA	Nippon Suisan Kaisha Ltd. (99%)	New	Frozen fish	1975	300 employees
Western Alaska Fisheries, Inc.	Seattle, WA	Taiyo Fishery Co. Ltd.	New	Frozen fish	1963	100 employees
Seed companies:						
American Takii Inc.	Salinas, CA	Takii and Co.	New	Seed company	N.A.	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Sakata Seed Co.	Yuma, AZ Morgan Hill, CA	Sakata Seed Co.	New	Seed company	1987	Purchased for \$3.5 million
Textiles:						
China Grove Textiles, Inc.	China Grove, NC Gastonia, NC	Kondo Cotton Spinning Company Ltd.	Acquired	Cotton yarn and cotton blend yarn	1988	820 employees
Kanebu Spinning Co.	Tifton, GA San Francisco, CA	Kanebu Ltd. (71.4%)	New	Cotton blend yarn	1989	150 employees
Kurabo Industries, Ltd.	New York, NY	Kurabo Industries, Ltd.	New	Cotton yarn and fabrics	1975	N.A.
Nissimbo CA, Inc.	Fresno, CA	Nissimbo Industries, Inc. (75%)	New	Cotton yarn and fabrics	1989	170 employees and \$54 million facility
OMI Georgia, Inc.	Columbus, GA	Oni Kenshi Co., Ltd.	Acquired	Cotton yarn	1975	150 employees
Rosewood Knitting Mills	Martinez, GA	Toyo Bozeiki KK and others	Acquired	Cotton yarn	1986	N.A.
Swift Knitting Mills	Columbus, GA	Kitaura Spinning Co.	Acquired	Cotton yarn	1990	450 employees
TNS Mills, Inc. Ltd.	Eufaula, AL Blacksburg, SC Gaffney, SC Spartanburg, SC	Tsuzuki Spinning Co.	New	Cotton yarn and fabrics	1985 1967 1989 1982	Purchased for \$10 million
Vegetable oils:						
California Oils Corp.	Richmond, CA	Mitsubishi Corp.	Acquired	Edible vegetable oils	1988	90 employees

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Chickasha Cotton Oil Co.	Casa Grande, AZ Clinton, OK Harlington, TX	Toyo Minka Kaisha, Ltd.	Acquired	Cottonseed oil	1981	1,000 employees and purchased for \$30 million
Fuji Vegetable Oil, Incorporated	New York, NY Savannah, GA	Fuji Oil Co., Ltd. C. Itoh and Co., Ltd.	New	Cocoa butter, vegetable oils	1987, 1989	\$12 million facility; 15,000 tons/year capacity; 26 storage tanks
Palmco	Portland, OR	Mitsubishi Corp.	New	Vegetable oils	1975	N.A.
Welsey Foods	Los Angeles, CA	Mitsui Foods	Acquired	Vegetable oils; Japanese gourmet dinners	1989	Food processing division purchased for \$55.2 million
Wineries:						
Abbott Vineyards	Napa, CA	Sapporo Breweries, Ltd.	Acquired	Wine	1987	9 employees
American Pacific Rim Incorporated	Vernon, CA	Numano Shoji Ltd.	New	Sake	1988	7 employees
Ariel Vineyards	Napa, CA	Tokei Boeki, Ltd.	Acquired	Nonalcoholic wines	1990	10% share purchased for \$800,000
Chateau St. Jean	Kenwood, CA	Suntory, Ltd.	Acquired	Wine	1984	100 employees
Firestone Vineyards	Los Olivos, CA	Suntory, Ltd. (31%)	Acquired	Wine	1976	25 employees
Gekkeikan Sake	Folsom, CA	Gekkeikan Co.	New	Sake	1990	N.A.
Honolulu Sake Brewery Co.	Honolulu, HI	Takara Shuzo Co., Ltd.	Acquired	Sake and soy sauce	1986	32 employees
Kohnan Co.	Napa, CA	MCB Trading Co.	New	Sake	1990	N.A.

Continued--

Appendix table 2--Partially or wholly Japanese-owned companies in the United States--Continued

Company	Plant location	Parent company	New or acquired	Product line	Year	Other economic information
Markham Vineyards	St. Helena, CA	Sanraku, Inc.	Acquired	Wine	1987	13 employees and purchased for \$8 million
Ozeki San Benito Inc.	Hollister, CA	Ozeki Sake Brewing Co. Ltd. (80%)	New	Sake and cooking wine	1979	17 employees
Raymond Vineyards	Napa, CA	Kirin Brewery	Acquired	Wine	1990	N.A.
Ridge Vineyards	Cupertino, CA	Otsuka Pharmaceuticals	Acquired	Wine	1986	24 employees
St. Clement Vineyards Ltd.	St. Helena, CA	Sapporo Breweries	Acquired	Wine	1987	7 employees and purchased for \$3.4 million
Silverado Hills Vineyard	Napa, CA	Minami Kyushu	Acquired	Wine	1987	N.A.
Staton Hills Vineyard	Wapato, WA	Kukuriku Coca-Cola Bottling Co.	Acquired	Wine	1990	N.A.
Takara Sake USA, Inc.	Berkeley, CA	Takara Shuzo Co., Ltd.	New	Sake	1990	N.A.
Whitehall Land Vineyards	Napa, CA	Ando Hideaki	Acquired	Wine	1990	N.A.

N.A. = Not available.

Sources: (10), (11), (20).

Note: There are several listings of companies that are either Japanese-owned or affiliated with Japanese-owned companies. Foreign Direct Investment in the United States, an annual publication by the U.S. Department of Commerce; Japan's Expanding U.S. Manufacturing Presence, an annual publication by Japan Economic Institute; and the 1989-90 Directory: Japanese Affiliated Companies in the USA and Canada, published by Japan External Trade Organization (JETRO), are the basic listings for Japanese investment used in this publication. Each of these publications covers a specific area; none of these publications is all-inclusive for the purposes of this publication. JETRO's publication lists 1,300 ethnic Japanese restaurants, for example, as well as many primarily wholesale or importer/exporter businesses that may have as little as 10 percent of their investment capital from Japanese sources. In JETRO, such companies are listed as affiliates in a separate listing. For the most part, these companies are not included in the Japan Economic Institute's listing that is primarily of manufacturing establishments. Anecdotal material from selected newspapers supplements these lists to attempt to keep current with the rapid increase in investment in the late 1980's and 1990.

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